

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

VALASSIS NSA

Docket No. MC2012-14

Docket No. R2012-8

RESPONSE OF THE MIAMI HERALD MEDIA COMPANY OF INQUIRY NO. 1

Miami Herald Media Company, a subsidiary company of The McClatchy Company, is located in Miami, Florida. We publish two daily newspapers; The Miami Herald and El Nuevo Herald, as well as produce several local websites that include: MiamiHerald.com, Elnuevoherald.com, Miami.com and Momsmiami.com.

Miami Herald Media Company submits this declaration in support of the Newspaper Association of America (NAA) Response to Notice of Inquiry No. 1.

Miami Herald Media Company is strongly opposed to the proposed negotiated service agreement between the United States Postal Service and Valassis. This proposal, if implemented, will do severe and irreparable harm to our company, our employees and to the South Florida community.

Response to Questions:

1. For fiscal year 2010, we estimate that advertising inserts for durable and semi-durable goods from national retailers represented 16% of the Miami Herald Media Company's total advertising revenues (including ROP, classified and digital advertising), 19% of our total print advertising revenue, and 68 % of total preprint revenue.
2. For fiscal year, 2011, we estimate that advertising inserts for durable and semi-durable goods from national advertisers represented 16 % of the Miami Herald Media Company's total advertising revenues (including ROP, classified, and digital advertising), 20 % of total print advertising revenue, and 67 % of total preprint advertising revenue.
3. Miami Herald Media Company distributes our Total Market Coverage (TMC) packages to non-newspaper subscribers in Miami-Dade and Broward counties through the mail and through private carriers. The bulk of our TMC is distributed through the mail stream. Our TMC packages contain many local and national retailer inserts, many of which are for national durable and semi-durable goods, as well as some local and regional grocery and local retail establishments. In addition, we distribute many national preprinted inserts within our newspapers,

with the majority of the preprint business running in our Sunday newspapers. Our Sunday preprint revenue accounts for almost 50% of our total preprint revenue. Our Sunday newspapers are highly read and valued by subscribers in the communities we serve. This proposed NSA with Valassis, will lure many of the durable and semi-durable goods advertisers out of our Sunday newspapers and TMC product to Valassis, which will undoubtedly force us to cut significant costs. This will likely result in hundreds of lost jobs, reduction of editorial coverage, and moving our TMC mailed packages from the postal service to private carrier in order to remain competitive.

4. For fiscal year 2010, the Miami Herald Media Company paid the United States Postal Service approximately \$3,959,673 to deliver our TMC packages. Our system does not track cumulative weight or individual pieces.
5. For fiscal year 2011, the Miami Herald Media Company paid the United States Postal Service approximately \$4,064,968 to deliver our TMC packages.
6. We estimate that the United States Postal Service will lose up to \$4,600,000 from our TMC postage if the Valassis NSA is approved.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 26, 2012.

A handwritten signature in black ink, appearing to read 'D. Landsberg', with a long, sweeping horizontal line extending to the right.

David A. Landsberg  
President and Publisher  
The Miami Herald Media Company  
1 Herald Plaza  
Miami, Florida 33132